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July 7, 2004

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Docket Management Facility
U.S. Department of Transportation
400 7th Street, SW
Washington, DC 20590-0001

Re: USCG -1998-3884 - 27

Dear Sir/Madam:

We submit the following comment on behalf of our client, LOOP LLC ("LOOP"), the only operating deepwater port licensed under the Deepwater Port Act of 1974. This comment relates to the Coast Guard's revised Deepwater Port Regulations that were published as a Temporary Interim Rule in the Federal Register on January 6, 2004 under the above referenced U.S. Coast Guard docket number.

As enacted, the Oil Pollution Act of 1990 ("OPA") provided a liability limit for deepwater ports of \$350 million. Pursuant to OPA Section 1004(d)(2), however, the Secretary of Transportation conducted a study, determined that LOOP poses a lower relative risk of transporting crude oil than alternate modes of transportation, and therefore reduced the liability limit of LOOP, the only licensed deepwater port, to \$62 million. The final rule notifying the public of LOOP's reduced liability limit was published in the Federal Register on August 4, 1995.

LOOP's reduced liability limit was originally codified at 33 CFR Section 137.603 and was then moved to the Deepwater Port Regulations at 33 CFR Section 148.703. When the Coast Guard published its Notice of Proposed Rulemaking on May 30, 2002, the reduced liability limit of LOOP was again stated, albeit in proposed section 33 CFR Section 148.605. This section as contained in the Temporary Interim Rule published on January 6, 2004 no longer states LOOP's reduced liability limit, however, and it appears that LOOP's reduced liability limit is nowhere contained in the Temporary Interim Rule.

LOOP understands that the deletion from the Deepwater Port Regulations of LOOP's reduced liability limit is not intended or designed to suggest that the reduced liability limit is no longer applicable. Rather, LOOP understands that the Coast Guard made a determination that the liability limits applicable to individual deepwater ports will not be contained or stated in the amended Deepwater Port Regulations. Instead, the Coast Guard will notify the public of each

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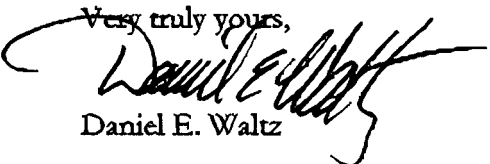
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port's liability limit in a Notice published in the Federal Register. As noted above, in the case of LOOP, that Federal Register Notice was published on August 4, 1995.

We thank you for your consideration of this comment. Should you have any questions or comments, please do not hesitate to contact me at the direct dial number indicated above.

Very truly yours,


Daniel E. Waltz